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Home Center News®

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Evans and banks reach tentative agreement

Plan calls for return of Mike Grossman

By John Caulfield
NHCN staff editor

MIAMI — Three hundred and sixty days after filing for protection under Chapter 11 of the U. S. Bankruptcy Code, Evans Products has reached a tentative agreement with its bank lenders over a plan for reorganization.

The rapproachment between the company and the banks was achieved on March 6 in the Bankruptcy Court in the Southern District of Florida during a hearing at which the respective plans of the company and the banks were approved by Judge Thomas C. Britton. Each plan would have been sent out to creditor groups for a vote had the agreement not been struck.

The bankruptcy court now has set a date of May 23 for confirmation of the banks' proposal that would be amended to incorporate the agreed-upon changes resulting from this agreement. If confirmation can be completed by the end of May, it is believed by bank officials that Evans Products could emerge from Chapter 11 60 to 120 days later.

Essentially, Evans officials agreed to accept the banks' formula for reorganization, which repays creditors primarily through the issuance of new debentures, zero coupon notes and common stock in the reorganized company (*NHCN*, March 10).

The banks' main concession was to permit existing holders of equity in the company, who were to be shut out of any receipt of payment, to retain a 10% share of the new company's common stock.

As part of its acceptance of the lenders' proposal, Evans has agreed to the reinstatement of Maurice (Mike) Grossman as president of Evans Retail. According to Patrick Murphy, an attorney for the lenders from the San Francisco firm Murphy, Weir and Butler, Grossman will step in

(Continued on page 89)

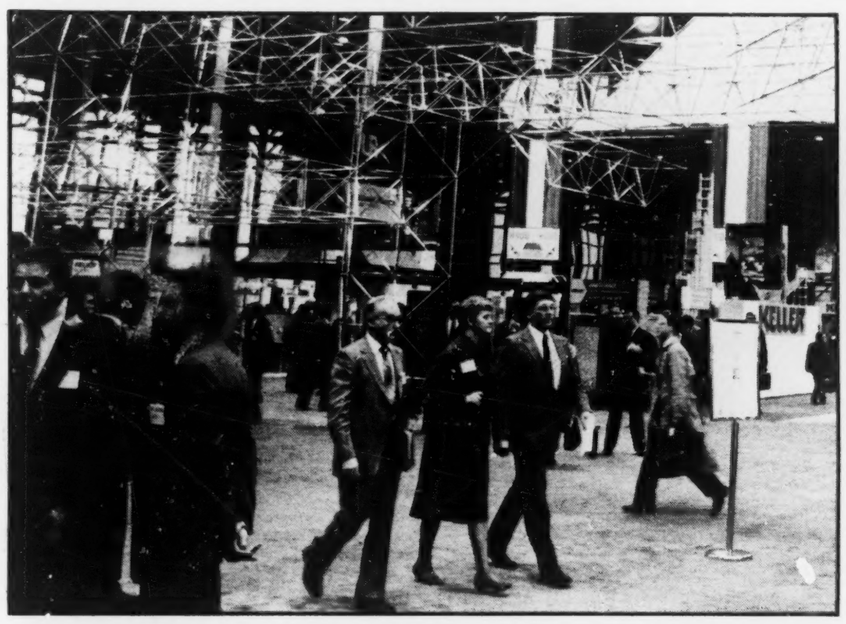
Profits key '86 forecasts at Chicago show

By an NHCN staff editor

CHICAGO — This is the year the industry expects to strengthen margins, according to many home center operators attending this year's National Home Center Show here, March 9 through 12.

In some cases, particularly where big hitting public companies have been acquired by conservative parents, apparent emphasis has shifted from the need to rapidly roll out stores and build volume to improving performance on the bottom line.

(Continued on page 90)



Home center operators who attended this year's National Home Center Show in Chicago believed that emphasis has shifted from the need to rapidly roll out stores and build volume to improving performance on the bottom line. NHCN photo

BE's Hal Smith named pres. and ceo of Ernst

By Brad Altman
NHCN staff editor

SEATTLE — Hal Smith, who guided Builders Emporium to record sales and profits last year, has been tapped to revive the struggling Ernst Home Center chain based here.

Smith, 35, resigned as president and ceo of 66-unit Builders Emporium in late February to replace Michael Rouleau as president and ceo of 73-unit Ernst.

Rouleau, 47, said he was given a special assignment to develop retail business strate-

(Continued on page 89)

Hal Smith resigned as president and ceo of Builders Emporium to become the third chief executive of Ernst in less than two years. NHCN photo

Financiers join ex-ITT chairman in bid for Grace

By Phillip M. Perry
NHCN staff editor

NEW YORK — David Mahoney, former chairman of Norton Simon, and Michael Rosenthal, a former director at Donaldson, Lufkin and Jenrette, confirmed they had joined former ITT chairman Harold Geneen in putting together a bid for the retail group of W.R. Grace.

"I'd love to be in the business," said Michael Rosenthal, who most recently has been managing director and partner at the investment

(Continued on page 90)

Mr. HOW Warehouse puts brakes on aggressive expansion program

By Donald Longo
NHCN staff editor

MARGATE, Fla. — Mr. HOW Warehouse has put the brakes on an aggressive store opening program that added 24 units to a three-store base in just a little over 18 months.

According to Norman Darrer, president of the 27-store warehouse home center division of Service Merchandise, "we've stopped to re-examine what we've done. It's time to step back and ask,

(Continued on page 90)

According to Norman Darrer, president of Mr. HOW Warehouse in Margate, Fla., the chain is reassessing its aggressive expansion program that added 24 units to its three-store base in just over 18 months. NHCN photo

Payless plans rollout of new store prototype

By Gary S. Ruderman
NHCN staff editor

CHICAGO — Payless Cashways will open four to 21 new format stores during the next two years featuring a warehouse-type showroom, David Stanley, Payless Cashways chairman said in a meeting with Chicago analysts earlier this month.

The first store is expected to open in January 1987 in an Ohio market, Stanley told *NHCN*.

Instead of the three-building complex of warehousing,

(Continued on page 89)

Inside

Perspectives cover story: Advertising and Marketing Awards-Retailers, home center suppliers and marketing executives were honored this month in Chicago at the second annual Home Center Industry Advertising and Marketing Awards banquet. **21**

Merchandising: Higher-end caulking increases margins-Consumers are stepping up to high-end caulking, as they become more experienced in fixing up their homes. High-end caulking carries greater margins and can turn up to eight times a year. **49**

Newsbreaks

PERGAMENT MAKES BID FOR CHANNEL: Pergament, the Melville, N.Y.-based retailer, has filed a bid to purchase Channel home centers from W.R. Grace, according to Bruce Pergament, vp administration. The offer is one of several that Grace is currently considering.

B&B PLANS WAREHOUSE: B&B Home Supply, St. Louis, plans to open a new 60,000-sq.-ft. warehouse store in St. Louis later this year. The company recently doubled the size of one of its stores to 60,000 sq. ft.

Industry Update

McCormick annex ready for Aug.

CHICAGO — The 1986 National Hardware Show will occupy space in the McCormick Place addition as well as filling the current exhibition hall.

More than 1.6 million sq. ft. of available exhibit space has been leased for the event August 10 through August 14 at Chicago's McCormick Place Complex.

Julie T. Prazmark, vice president and show manager, said the exposition received the final lease February 27 from the McCormick Place management for the 534,000-sq.-ft. lower level of the annex still under construction.

Facelifters signs vendor pact

BROOKLYN, N.Y. — Facelifters Home Systems, a franchisor of kitchen cabinet refacing services *(NHCN* March 10), signed a contract this month with Carson Home Services, a division of Chicago's Carson Pirie Scott & Co., under which Facelifters will be the sole and exclusive vendor of new kitchens and kitchen remodeling services for the 32 Carson Pirie Scott stores in the Illinois, Wisconsin and Indiana markets.

Facelifters' president Mark Honigsfeld said that the pact with the nearly $1 billion retailer will mean $2 million to $3 million in additional business in the coming 12 months in the Chicago area alone.

Grace West opens 2, closes 2

DIAMOND BAR, Calif. — Grace Home Centers West, the 91-unit, California-based division of W. R. Grace's 307-unit home center retail group, is opening new units in Yorba Linda, and La Verne, Calif., and has closed units in Pomona and El Monte.

Separately, the company has completed the consolidation of its Pasadena and Brea offices under one roof into a four-story, 89,000-sq-ft. building located here.

Sean Lee, Grace West president, said the units in Yorba Linda and La Verne will operate as 40,000-sq.-ft. Ole's Home Centers.

Second Lumber City rehab done

VAN NUYS, Calif. — Neiman-Reed's Lumber City has completed a $300,000 retrofit of its Woodland Hills store, the second in the 12-unit chain to undergo a major retrofit. The rehab program began last fall at Lumber City's Crescenta Valley store.

Lumber City Chairman Robert Neiman said the Woodland Hills unit's selling floor was increased 25% and its outside nursery was expanded to make the unit "look like an entirely new store."

Industry stocks remain bouyant

NEW YORK — Home Center industry issues remained bouyant through the reporting period concluded March 7, with gainers outnumbering losers 45 to 8. Four stocks were unchanged. While the numbers this period reflect a drop from last periods impressive surge, the activity nonetheless remains healthy.

Wolohan Lumber topped the retail gainers list rising by 31.5%, to close at $8.88.

National Lumber also turned in a healthy increase, rising by 25% to close at $5.00. Other leaders in the gainers column include Wickes Cos., up 19.4% to close at 5.38% and Scotty's, up 13.3% to close at $17.00.

See financial tables page 88.

45 Gainers

Unchanged

Losers 8

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Vol. 12, No. 7 March 24, 1986

Its official: Lowe's reaches $2B

By an NHCN staff editor

NEW YORK — Lowe's, the chain of 284 stores based in North Wilkesboro, N.C., has become the first home center chain to achieve annual revenues of over $2 billion.

Speaking before securities analysts here, company vp of corporate relations Cliff Oxford said that the company's revenues totalled $2.072 bil. for the 12 month period that ended Jan. 31. This represented a 23% increase over the revenues of the previous year.

News of the healthy increase in revenues, and a perception that the firm's earnings would exhibit healthy gains in 1986, sent the company's stock to an all time high of 37-1/2 on March 6.

Net earnings for the year fell by 3%, to $59,714,000. The company said that the impact on earnings during 1985 was due to planned expenses resulting from its expansion programs. Selling, general and administrative expenses rose by 60 basis points to a level of 16.55% of sales in 1985.

A softening of gross margin was another contributor to the profit decline last year. Gross margin for the year was 24.71%, representing a decline of 55 basis points over the year before.

"We do not feel that the erosion in gross margin is coming from the competitive market," said Oxford. Instead, he blamed three main factors: increased inventory shrink, the results of the former Boise Cascade stores where pro business still accounts for 87% of trade and which are still not up to speed with the company's new computer system, and costs related to the new Villa Rica, Ga. distribution center. Lowe's includes distribution costs in its cost of goods sold.

"We expect to see better results in the first and second quarters," said Oxford. He added that the company was already performing better than the 17% increase in annual sales that it was originally projecting for 1986. The company is now projecting earnings of up to $2.00 per share for the coming fiscal year. If that level is reached, it will represent a 22% increase over the $1.64 per share achieved in 1985.

Oxford noted that although Lowe's shrinkage had increased over the past year, it was still lower than that experienced by the average home center retailer.

Hechinger modifies warehouse

By Laura Liebeck
NHCN staff editor

COLUMBUS, Ohio — Hechinger, the 54-unit home improvement retailer based in Landover, Md., last month opened the second of three units planned for this growing midwestern city. The unit reflects a shift in the way the company is merchandising its warehouse-type stores.

Located on the growing west side of Columbus in a former Levitz furniture store that has a 35-ft. ceiling, the 100,000-sq.-ft. store, including warehouse space, has more of the company's home center look—wider aisles, less warehouse racking and "more of a fashion flair," said one observer, who asked not to be named.

Hechinger officials would not comment on the store. The Landover-Md.-based retailer will open a third store in this market later this year.

Hechinger's newest unit in Columbus, Ohio reflects a shift in the company's merchandise strategy. A 35-ft. high ceiling houses a 100,000-sq.-ft. store.

Photo courtesy of Hechinger

Hechinger will add approximately 12 new stores in fiscal 1986, among them a unit in Fredericksburg, Va., and Greenville, S.C. Other new store locations include Deptford, N.J., Allentown, Penn., Fayetteville, N.C., Syracuse, N.Y., Huntington, L.I., N.Y., and an eighth store in Baltimore, Md.

Highlights in this issue

Perspectives — *cover story*

NATIONAL HOME CENTER INDUSTRY ADVERTISING AND MARKETING AWARD WINNERS

Retailers and manufacturers garnered 29 Golden Hammer awards, 27 Silver Hammer awards, and 25 Awards of Merit in recognition of outstanding advertising and promotion efforts at the second annual Home Center Industry Advertising and Marketing Awards banquet held March 11 in Chicago —21

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merchandising

- Energy conservation category remains strong & viable —45
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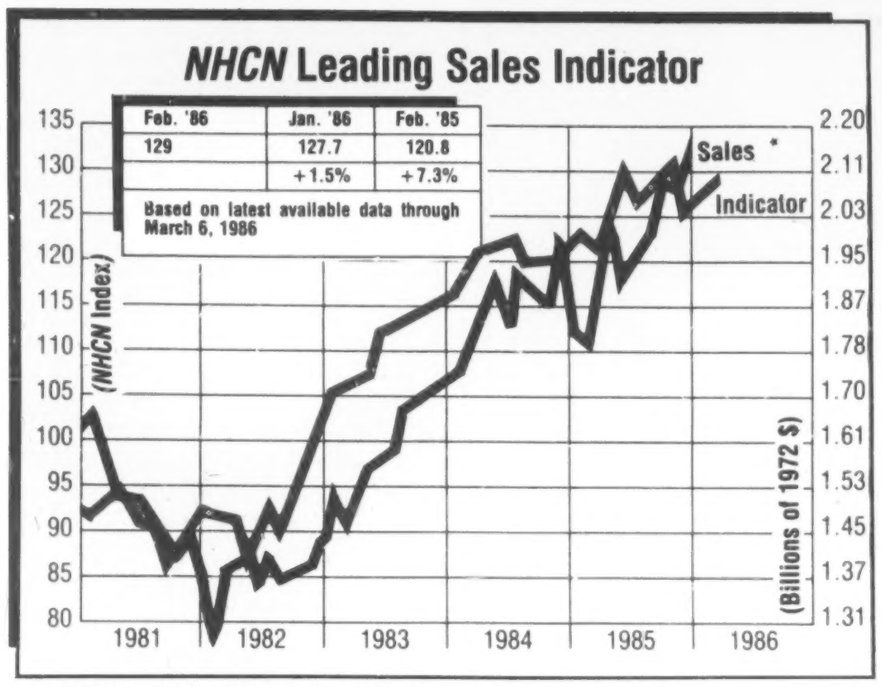
BUSINESS WATCH



*—Monthly retail trade building materials and supplies in 1972$.

Indicator—Represents projected level of retail trade building supply activity four to six months out from current months. Data based on real personal income, housing starts, resales, prime rates and other data.

The *NHCN* Leading Sales Indicator, sparked by the continued strength in home resales, rose 1.5% in February to a level of 129.6. Preliminary data suggests that March will ease to 129.2, indicating continued strength in building material sales.

Home resale market to rise 4% in 1986; building material sales to climb 10.5%

By Richard E. Mount
Special to NHCN

Home resales will rise at least 4% this year, possibly more, with much of the strength occuring in the first half.

Mortgage rates, still declining, will soon be below 10%. And because weak economic conditions in many regions are forcing homeowners to sell, buyers are turning in large part increasingly to resales rather than new homes.

Price is a key factor. Existing homes average $11,000 less than new. In the second half of 1986, however, resales will edge lower. Mortgage rates will rebound when oil prices stabilize.

The strength in resales in

Richard E. Mount

1986 follows a resale market that has been good since 1983. That in turn should provide owners of building material and supply stores an increase in sales of 10.5% in 1986, 7% after adjusting for inflation.

Review of resales 1983-85

Sales of existing homes began to climb rapidly in the third quarter of 1982, with a seasonally adjusted annual sales rate of 1.9 million units. Lower interest rates, an expanding economy and the growing use of adjustable rate mortgages caused the upturn. The number of resales, down to 2 million units for the year 1982, rose to 2.7 million in 1983 and 2.9 million in 1984.

Resales rose steadily through 1985, from 3 million units at a seasonally adjusted annual rate in the first quarter to 3.5 million in the fourth. An-

(Continued on page 5)

Home Center Industry—General Business Outlook

		1985				1986						
		1Q	2Q	3Q	4Q	1Q^p	2Q^p	3Q^p	4Q^p	1984	1985	1986^p
***NHCN* Leading Sales Indicator** (January 1980 = 100)		**120.2**	**124.3**	**125.2**	**123.5**	**128.8**	**130.1**	**129.7**	**129.4**	**117.8**	**123.3**	**129.5**
General Economic Outlook												
	GNP $1982 Billion	**3,547.8**	**3,557.4**	**3,584.1**	**3,594.8**	**3,639.1**	**3,672.6**	**3,712.2**	**3,753.4**	**3,774.7**	**3,571.0**	**3,694.1**
	Real Disposable income $1982 Bil.	2,482.7	2,532.2	2,503.1	2,517.6	2,543.2	2,568.1	2,593.6	2,617.3	2,468.4	2,508.9	2,580.6
	Housing Permits (000 SAAR)	1,667	1,731	1,762	1,741	1,780	1,700	1,650	1,630	1,682	1,739	1,754
	Housing Starts (000 SAAR)	1,761	1,743	1,687	1,747	1,880	1,820	1,770	1,750	1,750	1,736	1,764
	New Home Sales (000 SAAR)	670	680	711	691	740	720	720	700	639	686	720
	Resales (000 SAAR)	2,970	3,047	3,363	3,497	3,450	3,400	3,350	3,250	2,868	3,216	3,363
	Prime Rate %	10.5	10.2	9.5	9.5	9.2	9.0	9.0	9.0	12.0	9.9	9.1
	Mortgage Rate % (HUD)	13.0	12.9	12.1	11.8	11.0	10.9	10.9	11.5	13.8	12.5	11.1
	Consumer Price Index (1967 = 100)	317.8	321.1	323.0	326.3	328.1	330.2	332.5	335.1	311.1	322.1	331.5
	Producer Price Index (1967 = 100)	292.1	293.8	293.1	296.5	295.7	295.0	294.7	295.3	291.2	293.9	295.2
	New Housing Affordability 1980 = 100	113.7	112.6	119.3	119.3	128.3	128.8	128.9	123.9	102.2	116.2	127.5
Residential Alterations and Repairs												
Current	**Total $ millions (SAAR)**	**84,900**	**70,400**	**70,575**	**72,928**	**75,498**	**77,773**	**80,356**	**82,801**	**69,784**	**74,701**	**79,107**
	Maintenance and Repair	37,300	32,400	30,888	32,074	33,102	34,149	35,212	36,294	28,894	33,165	34,689
	Additions and Alterations	29,700	25,600	26,672	27,359	28,234	28,964	29,795	30,458	27,822	27,333	29,363
	Major Replacements	17,900	12,400	13,015	13,495	14,161	14,661	15,349	16,050	13,067	14,203	15,055
Constant	**Total Millions ($1977 SAAR)**	**49,739**	**40,975**	**40,670**	**41,610**	**42,650**	**43,500**	**44,500**	**45,400**	**41,134**	**43,249**	**44,013**
	Maintenance and Repair	21,853	18,858	17,800	18,300	18,700	19,100	19,500	19,900	17,029	19,203	19,300
	Additions and Alterations	17,400	14,900	15,370	15,610	15,950	16,200	16,500	16,700	16,406	15,820	16,338
	Major Replacements	10,487	7,217	7,500	7,700	8,000	8,200	8,500	8,800	7,699	8,226	8,375
Retail Trade Activity												
Current	**Total $ Millions (SAAR)**	**1,339,688**	**1,374,052**	**1,403,728**	**1,390,696**	**1,417,964**	**1,440,703**	**1,462,555**	**1,489,775**	**1,297,015**	**1,377,862**	**1,452,749**
	Total Minus Automobile	1,043,440	1,062,084	1,071,676	1,089,372	1,096,839	1,112,254	1,128,507	1,146,482	1,020,007	1,067,861	1,121,021
	Building Material, Hardware, Garden Supply, Mobile Home	69,016	72,024	73,132	76,912	77,164	78,143	79,168	80,136	68,703	72,947	78,653
	Building Material and Supply	50,468	53,012	53,248	56,676	56,700	57,958	58,921	59,839	49,774	53,534	58,355
	Hardware	9,844	9,984	10,256	10,536	10,509	10,660	10,744	10,804	9,530	10,152	10,679
Constant	**Total Millions ($1972 SAAR)**	**636,632**	**651,792**	**664,008**	**657,228**	**663,480**	**667,445**	**670,860**	**676,580**	**621,128**	**652,415**	**669,591**
	Total Minus Automobile	497,904	505,112	509,272	518,500	516,885	518,960	521,330	524,390	489,405	507,697	520,391
	Building Material, Hardware, Garden Supply, Mobile Home	30,476	31,908	32,537	34,077	33,850	33,940	34,045	34,120	31,185	32,250	33,989
	Building Material and Supply	22,284	23,484	23,690	25,108	24,870	25,170	25,335	25,475	22,623	23,642	25,213
	Hardware	4,344	4,424	4,563	4,668	4,610	4,630	4,620	4,600	4,334	4,500	4,615
	Building Materials % of Total Less Automobile ($Current)	4.84	4.99	4.97	5.20	5.17	5.21	5.22	5.22	4.88	5.01	5.21

Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors
Department of Housing and Urban Development
March 6, 1986

The Home Center Industry Outlook runs in two parts, in alternate issues. The first part includes latest data on the General Economic Outlook; Residential Alterations & Repairs; and Retail Trade Activity. The second part includes latest data on regional building material & supply store sales; and industrial production. The *NHCN* Leading Indicator runs every issue.

SAAR—Seasonally Adjusted Annual Rate
p—projection
NHCN chart
Source: Merrill Lynch Economics for *NHCN*

BUSINESS WATCH

Resales to be strong in first half of '86; mortgage rates to fall below 10% level

(Continued from page 4)
nual sales rose 12% to 3.2 million units their highest pace since 1979.

Resale markets for building material products

Resales provide three distinct markets for building material sales:

1. When a home is put on the market, the owner does minor painting, carpentry and plumbing projects and repairs for the sake of getting a higher price. Some repairs may be necessary to meet local ordinances before the home can be sold.

2. After the sale, the buyer transforms the house into a home. He may repaint the interior, hang wallpaper and replace carpeting. Sometimes he will make major repairs to heating and electrical systems.

3. After living in the home for a few years, the owner starts big-ticket improvements, finishing basements and adding rooms to enlarge the usable space. Such improvements are expensive and generally undertaken by people with rising incomes when interest rates are low.

Building material sales

Building material sales to the fix-up, pre-sale market will begin to decline in the second half of the year. The decline will be slow, although sales volume will still be high. However, this market accounts for a small part of total building material sales.

Building material sales to buyers of existing homes will continue to expand. As six to nine months generally lapse between home purchase and finishing home improvement projects, sales will rise in the first half of 1986.

Big-ticket improvements

Big-ticket improvements will increase this year. Interest rates continue to fall, making home improvement loans more attractive. Rising employment and income will allow homeowners to modernize and expand recently purchased homes. From 1983 to 1985, more than 8.8 million existing homes were sold, making a large market for major alterations and additions. Many of the 80 million homes, those not sold in the past three years, are candidates for improvements. The rise in resale values over the coming year financially justifies the upgrading of homes.

Owners making big-ticket renovations, meanwhile, are shifting purchases toward higher quality goods. For stores carrying these products, sales will increase. More expensive carpet is replacing contractor-quality carpet; hardwood flooring and ceramic tile is replacing previously carpeted areas.

The typical homeowner is older than he was a few years ago, as the average population has aged, and is approaching peak earning years. Lower consumer prices and home appreciation in the 1980's has encouraged homeowners to improve their homes rather than trading as in the 1970's.

Richard E. Mount is senior economist and manager of housing and construction material research for Merrill Lynch Economics.

European-based GB-Inno-BM ups stock holdings in Scotty's to 24.3%

WINTER HAVEN, Fla. — GB-Inno-BM, through its wholly-owned subsidiary, Eufidis B.V., has increased its ownership stake in Scotty's, the 125-unit home improvement retailer based here. Between Jan. 10 and Jan. 31, Eufidis and GB-Inno-BM purchased 173,600 shares of Scotty's common stock, increasing the total number of shares controlled by GB-Inno to 3,510,783 or approximately 24.3% of the issued and outstanding shares.

Prior to the recent stock acquisitions, GB-Inno, a Belgian-based retail conglomerate with extensive holdings in home improvement chains throughout Europe, as well as a 65% interest in Handy Andy Home Improvement Centers, Gurnee, Ill., owned 22.61% of Scotty's stock.

According to a Schedule 13D filed with the Securities and Exchange Commission on Feb. 20, the European investor paid between $14⅛ and $15 per share for the Scotty's stock. Additionally, GB-Inno transferred its shares in the Florida chain to Eufidis, but remains an indirect owner.

Under an agreement between the two companies, GB-Inno last year sought and received approval from Scotty's to increase its stake to as high as 26% in order to take advantage of a 10% tax reduction available to European firms that own at least a 25% share of a U. S. company. A separate agreement binds GB-Inno to offering Scotty's the right of first refusal if GB-Inno decides to dispose of its stock holdings.

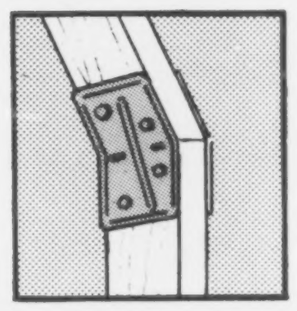
Francois Vaxelaire, GB-Inno's chairman, and Jacques Dopchie, its vp and managing director, are both members of Scotty's 11-man board of directors.

Handyman posts 4th qtr. sales of $52.8M

SAN DIEGO — Handyman Corp., the former home center division of Edison Brothers Stores that was spun off as a publicly traded company last summer, reported sales for the fourth quarter were $53.8 million and yearly sales hit $228.2 million, for periods ended Dec. 28, 1985.

For stores open during these periods in both 1984 and 1985, sales increased 10.6% for the quarter and 7.7% for the year. Sales for all stores were up 8.2% in the fourth quarter, while full-year sales decreased 15.1% due to the closing of 21 Texas and Oklahoma stores during the third quarter.

Selling Barn Sheds Has Never Been So Easy!



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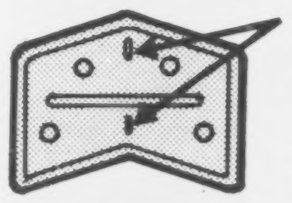

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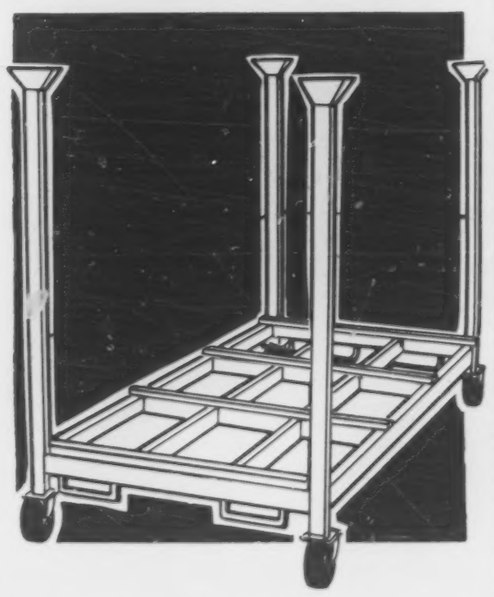

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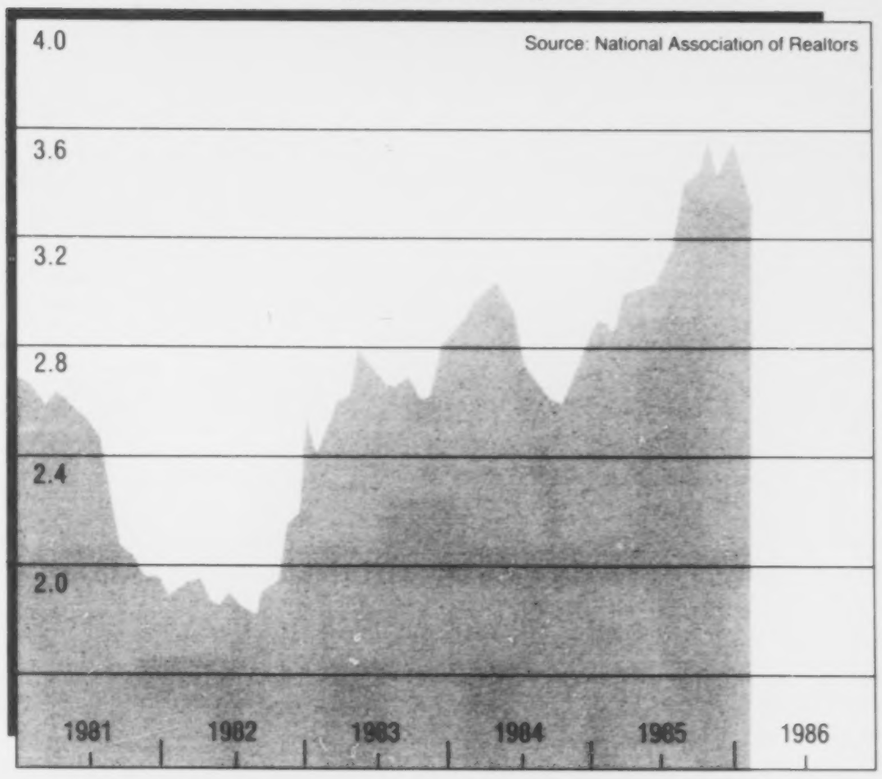
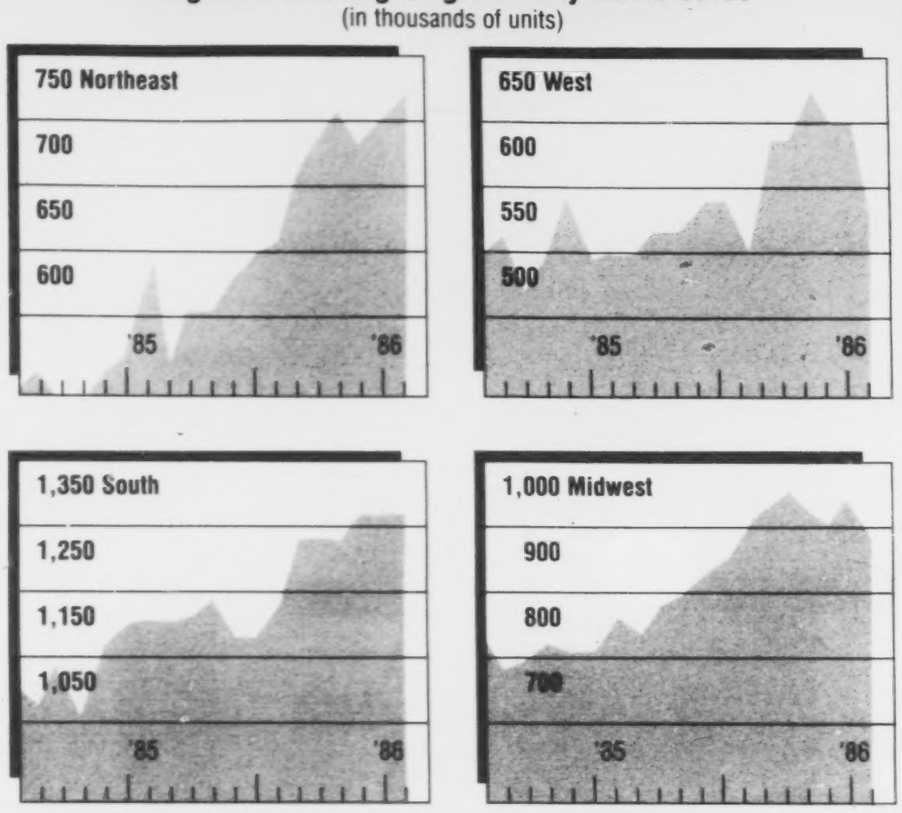
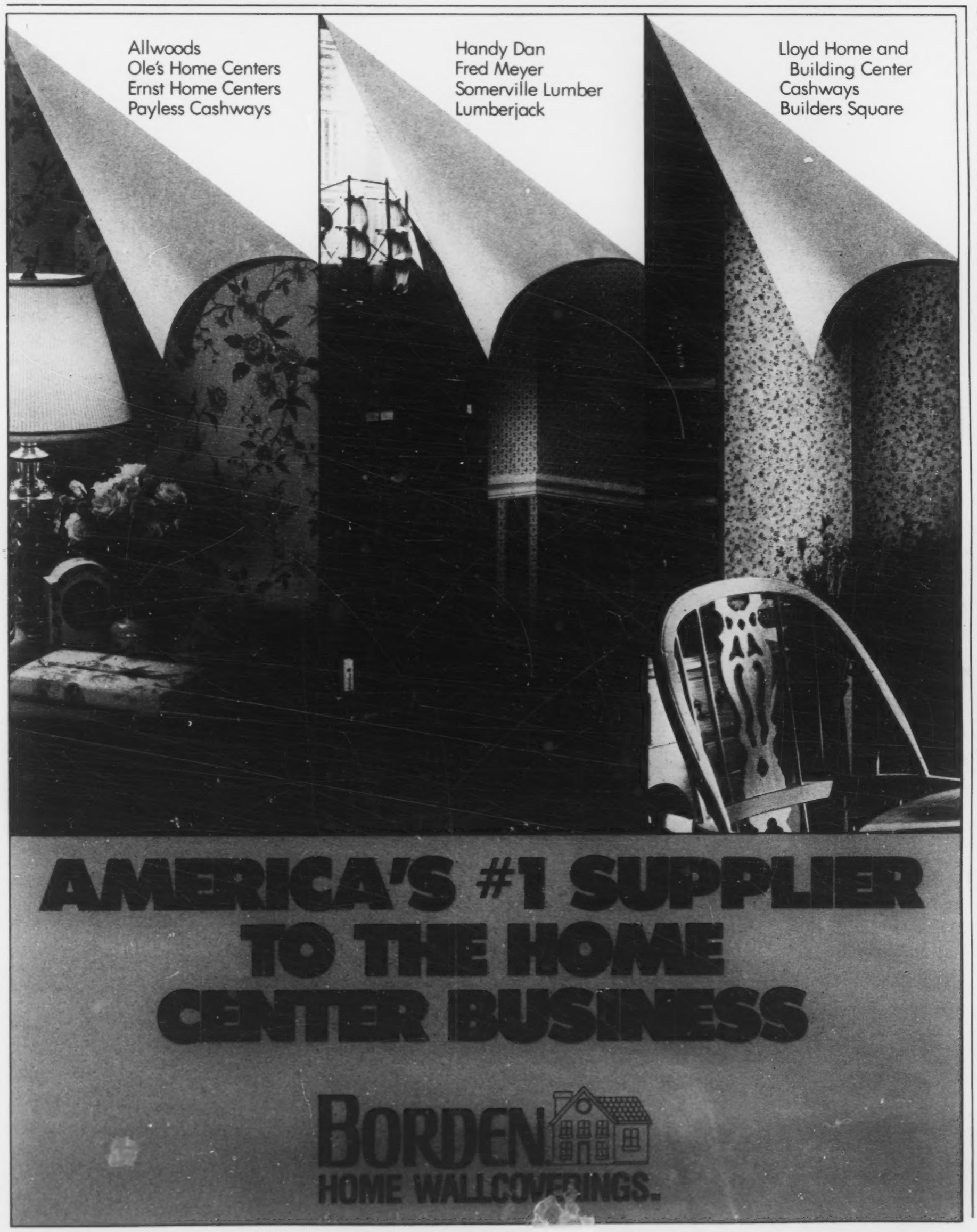
HOUSING WATCH

National existing single-family home sales
(in millions of units)



Regional existing single-family home sales
(in thousands of units)





January home resale rates decline 5.7%

NATIONAL REPORT — The resale home rate dropped 5.7% in January to a seasonally adjusted 3.32 million units, according to the National Association of Realtors.

Despite the decline, the January results represented the 10th consecutive month that the resale rate has been above the 3 million-unit mark, leaving NAR officials optimistic about sales activity for 1986.

"As mortgage interest rates continue to edge downward and with home prices increasing only modestly in many areas of the country, buyers will find a plentiful supply of homes," asserted Clark E. Wallace, president of the NAR. "I see home resale activity continuing to be vigorous throughout 1986, even outpacing last year's record of 3.214 million units."

Economists at the NAR are forecasting that 3.54 million previously-occupied single-family homes will be sold this year.

Last month, The Federal Home Loan Bank Board reported that the average effective interest rate on fixed-rate loans closed for previously-occupied homes was 11.41%, compared to 13.07% a year earlier.

Association economists are also projecting that single-family home prices will rise with inflation, about 3.5% to 4% this year and by another 4% in 1987.

In January, the only region to record an increase in activity was again the Northeast. The nine-state region, which set new sales records last year, posted a sales gain of 4.3%, to 730,000 units, seasonally adjusted, for the first month of 1986. The median cost of a previously occupied home here also rose, by $5,700, to $99,400.

The Northeast now has the most expensive resale homes, having overtaken the Western region for the first time.

The resale rate in the West fell 11.7%, to 530,000 units, seasonally adjusted. Home price also declined there, by $1,100 from December, to $93,400.

The nation's largest region, the South, with 17 states included, posted a 7.1% decline in home resales in January, to 1.18 million units, seasonally adjusted. Home prices rose, however, by $2,000 to $76,100.

Resale activity in the Midwest also declined in January, by 6.3%, to 890,000 units, seasonally adjusted. The cost of an existing single-family home in this region rose $2,000 from December.

Median sales price
(in thousands of dollars)

	Jan.[p]	Dec.[r]	Nov.	Oct.
U.S.	77.0	75.5	74.6	74.8
Northeast	99.4	93.7	89.3	90.4
South	76.1	74.1	74.2	73.8
Midwest	60.5	58.6	57.5	57.8
West	93.4	94.5	94.7	96.9

[p]-preliminary [r]-revised

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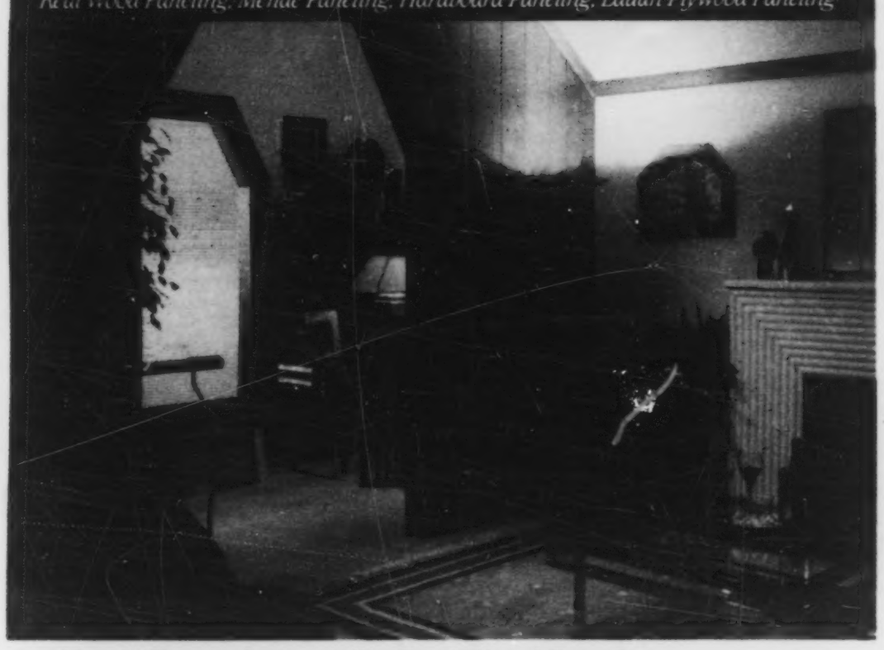

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LUMBER REPORT

Decorative panel manufacturers join forces for new association

By Milford Prewitt
NHCN staff editor

NEW YORK — Several decorative panel manufacturers have joined forces to create the first promotional association for the product, with the key objective of overturning the assumptions of homeowners that panels are good only for the basement.

While the association's name might seem misleading, the goal of the Plywood Paneling Council (PPC) is clearly to show the widespread room applications of the product.

Through aggressive marketing and promotional tactics and the support of a Manhattan-based public relations firm, the PPC envisions giving wallcoverings a closer run for market share.

The group had a coming out party of sorts during the National Home Center Show in Chicago last week where decorative panel manufacturers emphasized the theme that plywood prefinished panels have now reached a stage of refinement and style that rivals wallcovering for all taste.

From Weyerhaeuser's new space-age holographic design prints to U.S. Plywood's Gloria Vanderbilt designs, the manufacturers seem confident that they have a selection to make retailers optimistic and to turn homeowners away from paint and wallcoverings.

Howard Steinberg, president of Ply Gem Manufacturing and chairman of the marketing committee of the group, said the decorative panel makers are excited about the potential the new association offers for market growth.

"What we are doing is almost similar to what orange juice people did when they had the idea it's not just for breakfast anymore," Steinberg said. "Well, we want the homeowner to know that they don't have to put panels in their basements or den anymore.

> *'What we are doing is almost similar to what orange juice people did when they had the idea it's not just for breakfast anymore.'*
>
> **—Howard Steinberg,** *president, PlyGem*

"With the new designs and patterns we have now, the product can go in every room in the house."

Frank Bluel, director of marketing services for U.S. Plywood, said he frequently wondered why the decorative panel manufacturers had never organized a promotional arm for the industry previously, especially in light of the erosion in market share the industry sustained during the past ten years.

However, in answering his own question, Bluel speculated, that none of the big manufacturers wanted to individually invest the time and money it would take to elevate the image of decorative panels since the large integrated companies do not depend on the category as a strong sales performer.

In the case of U.S. Plywood, Bluel said only 10% of the company's sales last year were derived from decorative panels.

But with an industry-wide association, the economies of prospering from a pool of promotional finances works to help all the companies, Bluel said.

"The way the industry has suffered in the past few years, none of us would have wanted to spend the kind of money it would take to do something like this alone," Bluel said. "I guess when you look at floor tiles, and roofing, and lighting, we are probably the last home center category to form an association.

"It's no question in my mind that this should have been done a long time ago. There should be a concerted effort on the part of the pre-finished plywood manufacturers to bolster the image of the product to the consuming public and the home builder."

Bluel said one of the immediate advantages of the new group is that new products will enjoy quicker exposure to the market than without an industry association.

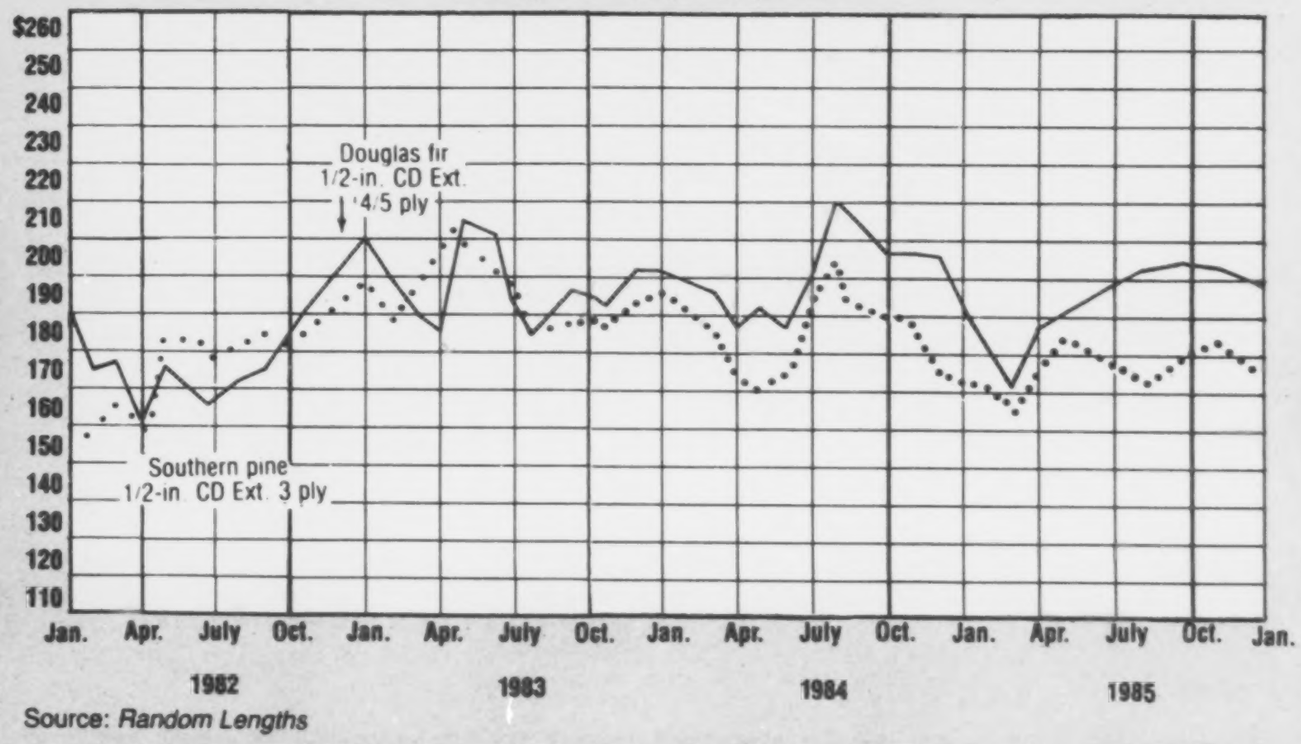
Membership in the group is limited to those manufacturers who use plywood plys as the substrate for their panels. As a result, Abitibi-Price, one of the nation's leading decorative panel makers, has not been invited to join the group. The apparent underlying guideline behind the strict plywood membership policy is the group's view that plywood ply's are superior in stability and workability than hardwood, particleboard or masonite backed decorative panels.

Jane Cornell, vice president of Creamer, Dickson, Basford, Inc., said the group will establish a permanent headquarters in Manhattan and will man a resource center that will display about 50 samples of each of the decorative panels member manufacturers make.

Other charter members in the group include Georgia-Pacific, States Industries, Davidson/PWP and Plywood Panels Inc.

Commodity close-up: Western & Southern Plywood

Average monthly mill prices



Source: *Random Lengths*

The third and fourth quarters of 1985 witnessed divergent price levels between major plywood products. Southern pine 1/2-in. CD 3-ply sold as high as $183 per thousand board feet in November, before ending the year at $179. Douglas fir 1/2-in. CD Ext. 4-5 ply held steady through most of the last six months of 1985, staying within a dollar of $203 per thousand board feet before ending the year at $197.

Perspectives

merchandising

Higher-end caulking increases margins 35-45%

By an NHCN staff editor

NATIONAL REPORT — When Foxworth-Galbraith removed all of the low-priced, oil-based caulking from the shelves of its 53 stores last year, the move reflected a larger trend toward longer-lasting, higher priced caulking in the home center industry.

Now that consumers have become more experienced in fixing up their homes, say retailers, they have had enough time to get burned on low end caulking that looks great when it's first applied, but starts peeling a year later and requires replacement.

Latex, acrylic and silicone caulking, with their longer lasting qualities, have become more appealing than ever before.

"The consumer can buy good quality latex caulking for 79¢, and that includes a 25-year guarantee, that kicks the low-end caulk off the shelf," said David Moskowitz, buyer at the Dallas-based chain.

"There's no doubt the consumer is much more sophisticated now," said Dave Smith, senior buyer at Busy Beaver, the chain of 11 home centers based in Pittsburgh. "We're dealing with the second and third generation of do-it-yourself customer." Sales of caulking made of silicone have doubled at Busy Beaver over the past year. This is in spite of the fact that a tube of silicone caulking often sells for about $4.99, while acrylic goes for $2.39 and latex for 99¢. The company has not sold oil-based caulking for two years.

Other home center operators report similar results. At Star Lumber, the chain of three units based in Wichita, Kan., oil-based caulking, which once accounted for 5% of sales, now accounts for less than 3%. Latex accounts for 40%, a siliconized latex 30%, and silicone about 27%.

The diversity of adhesives products has brought about a variety of presentations at home centers. These include a gondola run of household cement at Builders Square, Chicago (top), warehouse racking of cement at Lindsley, St. Petersburg, Fla. (right), and endcap of cartridge adhesives at Handy Andy, Arlington Heights, Ill. (left).

Home center operators say there is a terrific benefit to the consumer's desire to step up into higher end caulking: the margins are greater. A product that may appear to outsiders to be nothing more than a "commodity in a tube" with an attendant low margin, actually carries healthy margins of 35-45%. Further, the item can turn six times a year, and sometimes eight.

If the consumer has been the driving force behind the move toward upper end caulking, vendors haven't been resting. One of their most prominent moves has been the provision of long term guarantees of the higher priced items.

"Until recently, price has been the key motivator for the consumer," said Kirby Aiken, manager of product marketing at Macklanburg-Duncan, Oklahoma City. "Now, vendors are offering five year to 35-year guarantees." Red Devil, Union, N.J. offers a lifetime guarantee on its siliconized acrylic caulk.

"The consumer is willing to pay more for the caulking that lasts longer," said Steve Elliot, merchandise manager of O'Malley's, the chain of 19 stores based in Phoenix.

While consumers have gained greater experience in the use of caulking, retailers also report that a good deal of confusion still exists regarding the vast array of caulking varieties on the shelves. While shoppers know they want long-lasting caulk, they often don't know exactly which latex, acrylic or silicone variety to buy.

The result is a new round of more descriptive labeling.

"What used to be labeled just 'acrylic caulking' is now labeled 'window caulking' or 'bathtub caulking'," said Gary Hageman, paint and sundries buyer at Star Lumber. "It's great for the consumer."

And while vendors are catering to the needs of the experienced user, they are not forgetting the new entrant into the DIY field, or the older one who just wants an easier way of doing a job. Prime evidence of this is the growing incidence of "press-in-place" type caulk.

"I've carried that type of caulk for a couple of years, but recently I've seen the vendors broaden the category," said Hageman of Star. "It was primarily used for windows, but now it's available for bathtubs. And new colors are available. I'm planning to add brown soon."

"I'm taking a look at press-in-place," said Smith of Busy Beaver. "It's less messy and easier to handle. It may appeal especially to the female shopper who wants to do repairs around the house."

Improved packaging for adhesives ups product demand, gross margins

By an NHCN staff editor

NATIONAL REPORT — Retailers are enjoying increased margins in their adhesives, caulks and sealants departments and are taking steps to enlarge the departments with new items.

Home center operators said that vendors were introducing better packaging for the upper-end merchandise, which usually has better margins than the cheaper varieties of adhesives and caulks. The packaging helps increase demand for the items on the part of consumers who, more than ever before, are becoming aware that the higher priced adhesives and sealants last longer on the job.

Helping keep the gross margins high is the increasing incidence of private labeling, which helps retailers avoid the head-to-head price cutting that often accompanies brand competition. Retailers seem to feel that the public has little awareness of caulk and adhesive brands.

At the same time, the large number of vendors selling caulk seems to be a continuing force that helps maintain the margin spread by keeping costs down.

In a survey of 50 home center companies completed for *NHCN* by Lebhar-Friedman Research, New York:

- Some 40% of respondents said they had increased the number of stock keeping units in the department last year, while 32% plan to increase such selections this year,
- Of total respondents, 44% said they had increased gross margins by an average of 2.8% in the department,
- Respondents said they expected the overseas-produced portions of such departments to increase over the coming year.

Another reason for the attention, they said, was the advent of more private label merchandise, which can be purchased for less than name brand products that have the costs of vendor advertising built in.

Private label items allow the retailers to avoid head-to-head competition. And, say some retailers, there is little public perception of name brands in the departments.

"We started carrying private label items in the department a year ago," said Steve Elliott, merchandise manager of O'Malley's, the chain of home centers based in Phoenix, Arizona. "Our sales have been tremendous." The chain now has private labels on four items in the department: oil based caulk, latex caulk, construction adhesives, and roof adhesive.

Adhesives, Caulks and Sealants
NHCN Home Center Survey

	% of Respondents
Increased sku's in department last year ('85)	40.0
Plan to increase sku's this year ('86)	32.0
Portion of mix manufactured outside U.S.	1.9
Expected offshore portion of mix a year from now	2.3
Portion of category purchased direct from vendor	62.1
Respondents increasing gross margin in department last year ('85)	44.0
Mean increase in such gross margin	2.8
General Survey Information	
Number of survey respondents	50.0
Average showroom size	12,396 sq. ft.
Average department size	614 sq. ft.
Average portion of annual sales accounted for by the department	6.3%

Source: Lebhar-Friedman research, New York. *NHCN* chart.

In a recent survey commissioned by *NHCN*, more than two of every five respondents increased the gross margins in their adhesives departments last year.

At Busy Beaver, Pittsburgh, a private label program that has been around for several years, now accounts for about half the product in stock. And Foxworth-Galbraith, Dallas, has had a private label program for two years that buyer David

(Continued on page 54)

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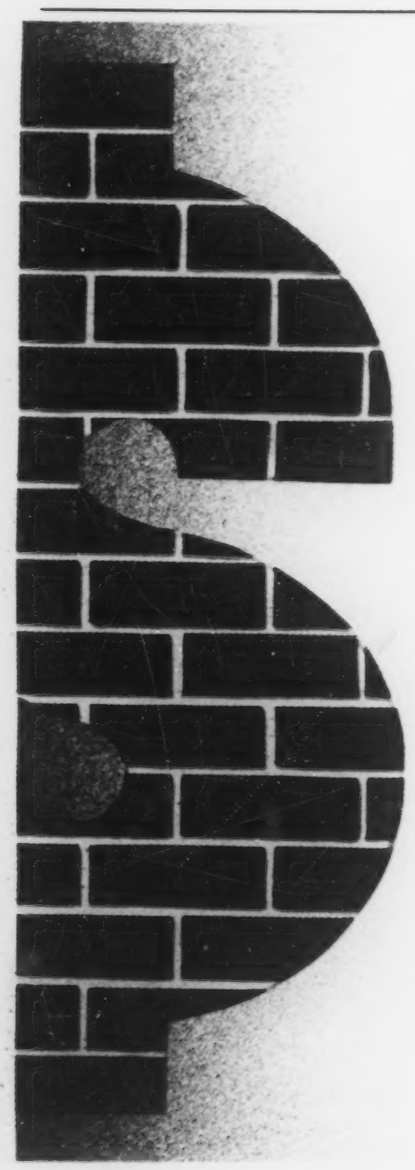

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Gross margins up for adhesives

(Continued from page 49)

Moskowitz said helps the company compete in the price point market.

As for the high incidence of direct purchase of such goods, retailers pointed to the volume of product moving through home centers as a contributing factor. Direct purchase is a further contribution to a healthy gross margin for the department. At O'Malley's, about 70% of adhesives items are now purchased directly, up from 50% a year ago.

More descriptive labels are being applied by manufacturers to adhesives, just as they have been to caulks, in an attempt to make the wide selection of the product more understandable. Retailers say that such labeling helps spur demand for the product since it helps give consumers more confidence in their ability to select the right adhesive for the job at hand.

Miracle Adhesives, Bellmore, N.Y., has begun printing descriptive line drawings on the labels of its adhesives products, for example.

Manufacturers provide how-to info for skylights

(Continued from page 52)

"There was a time in real estate ads where people used to push the idea of having fireplaces," Bechtold continued, "Now you see them mentioning skylights in the ad because its a feature that increases the cost of the house."

For Gee Lumber & Hardware in Chicago, skylights may not be setting the world on fire in volume, but it is a category to maintain, according to Dan Benigno, the buyer of the product.

Benigno said that while skylights may not be DIY products, he has found that upper-income, white-collar home owners are willing to install the product in their homes in affluent communities served by the chain's suburban-Chicago units.

"I think a DIYers biggest fright is the leakage problem," Benigno said. "If they can overcome that, I think they'll buy it.

"But if you operate a service-oriented company where you have a good sales person on the floor who can take that DIYer from step A to Z, there should be no problem selling the product."

A unique promotional step Gee Lumber uses to push the product is to include skylights in its "New and Hard to Find" advertising circulars that are released seasonally. In the case of skylights, Benigno said the company uses the promotional device May through August when skylight sales are brisk.

In a final step to augment roof window movement at Gee Lumber, that is similar to other retailers, Benigno said the

(Continued on page 58)

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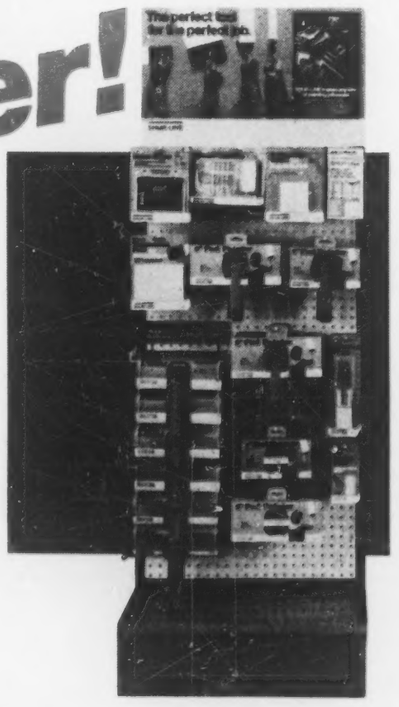

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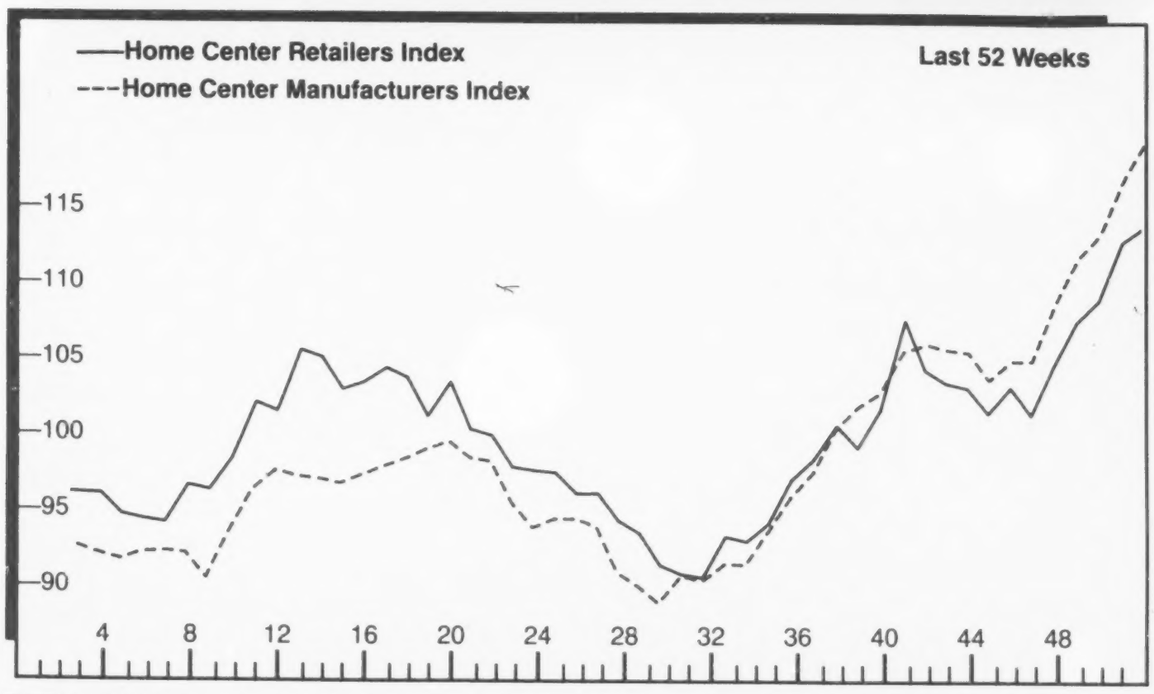


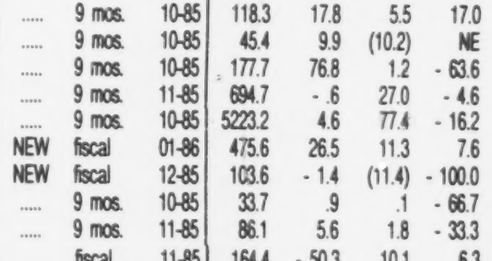
RETAIL INDICES: *NHCN* tracks home center retailers' stock issues as well as manufacturers' market value, and compares their market value trends to a separate graph of Standard & Poor's 500 stocks over the past 52 weeks.

Source: Media General Financial Services Inc.

MOST ACTIVE STOCKS

Company & Market		Total 2-Week Volume	Volume Trend Change	2-Week Price Change
		(100)	%	%
Triangle Pac	N	6,566	690.0	14.6
Zayre Corp	N	20,431	420.1	.4
Certain-teed	N	6,706	405.7	5.9
Wolohan Lumber	M	3,600	380.5	31.5
Newell Co	N	4,779	369.5	- .9
Wickes Cos	A	192,648	337.7	19.4
Owens Corning	N	22,280	313.3	16.0
Armstrng Wrld	N	14,998	311.8	19.3

Volume Trend Change measures the increase or decrease in trading activity over the latest two-week period compared to the previous 12 weeks. The percentage is the difference between the percentage of outstanding shares traded in the two-week period and the average volume as a per cent of outstanding shares over the previous 12 weeks.



PRICE MOVEMENT

Company & Market		2-Weeks Ended 3-7-86	2-Week Price Change	Total 2-Week Volume
TOP GAINERS		$	%	(100)
Wolohan Lumber	M	8.88	31.5	3,600
Natl Lumber	M	5.00	25.0	872
Wickes Cos	A	5.38	19.4	192,648
Armstrng Wrld	N	59.63	19.3	14,998
Owens Corning	N	49.00	16.0	22,280
USG Corp	N	67.00	15.5	12,479
Waxman Ind	M	14.50	14.9	855
Triangle Pac	N	53.00	14.6	6,566
Ply-Gem	A	21.75	14.5	3,430
Scotty's Inc	N	17.00	13.3	3,635
TOP LOSERS		$	%	(100)
Grace W R	N	50.25	- 6.3	30,299
Mor-Flo Inds	M	17.00	- 4.9	430
Homecrafters Whse	M	2.50	- 4.8	1,541
Black & Decker	N	22.63	- 4.2	43,935
INTERCO Inc	N	75.88	- 1.5	3,010
Svc Merchandise	M	13.63	- .9	26,603
Newell Co	N	28.88	- .9	4,779
Walter, Jim	N	50.75	- .7	12,160
Sherwin-Wms	N	56.13	.0	4,674
Insilco Corp	N	21.00	.0	6,596

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market		Stock Market: Price: 2-Weeks Ended 3-07-86	2-Weeks Change: Amt.	2-Weeks Change: Pct.	2-Week Range: High	2-Week Range: Low	52-Week Range: High	52-Week Range: Low	Volume: 2-Weeks Shares Traded: Total	Volume: 2-Weeks Shares Traded: % Out	Volume: 12-Week Avg. Vol. As % Out	Volume Trend	P/E Ratio	Indicated Divd. Rate: Amt.	Indicated Divd. Rate: Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue: Amt.	Latest Quarter: Revenue: Chg.	Latest Quarter: Net Income: Amt.	Latest Quarter: Net Income: Chg.	Latest Quarter: E.P.S.: Amt.	Latest Quarter: E.P.S.: Chg.	Year-to-Date: Revenue: Amt.	Year-to-Date: Revenue: Chg.	Year-to-Date: Net Income: Amt.	Year-to-Date: Net Income: Chg.	Year-to-Date: E.P.S.: Amt.	Year-to-Date: E.P.S.: Chg.
-		$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Color Tile	M	22.38	1.38	6.5	22.63	21.25	22.63	15.25	9,822	10.45	3.63	187.9	15.2	.00	.0	.....	6 mos.	12-85	87.2	4.8	3.3	- 2.9	.34	- 8.1	182.2	14.8	6.6	6.5	.70	2.9
Erb Lumber	M	50.00	4.00	8.7	50.00	44.50	50.00	20.50	109	1.22	.44	177.3	8.5	.00	.0	.....	9 mos.	09-85	61.4	44.1	2.3	91.7	2.67	105.4	142.3	27.5	4.3	104.8	4.87	112.7
Forest City Ent	A	23.50	1.25	5.6	23.50	22.00	26.13	20.38	87	.21	.11	90.9	43.5	.30	1.3	.....	9 mos.	10-85	72.8	14.3	.0	- 100.0	.00	- 100.0	200.0	5.7	3.6	20.0	.45	12.5
Grace W R	N	50.25	- 3.38	- 6.3	53.88	48.50	57.25	35.50	30,299	5.57	3.36	65.8	17.8	2.80	5.6	.....	fiscal	12-85	2013.2	10.0	44.7	- 24.4	.86	- 29.5	7260.1	7.9	146.9	- 24.9	2.82	- 29.9
Handyman	A	29.00	1.50	5.5	29.88	27.50	29.88	21.75	420	1.66	.44	277.3	NA	.15	.5	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger A	M	24.50	1.50	6.5	24.75	22.75	24.50	16.00	4,603	5.26	3.05	72.5	NA	.16	.7	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B	M	24.50	1.25	5.4	25.00	22.75	24.75	16.00	1,242	.92	.42	119.0	25.3	.08	.3	.....	9 mos.	10-85	118.3	17.8	5.5	17.0	.23	9.5	362.2	19.7	16.5	11.5	.70	7.7
Homecrafters Whse	M	2.50	- .13	- 4.8	2.63	2.38	9.75	1.00	1,541	5.45	3.90	39.7	NE	.00	.0	.....	9 mos.	10-85	45.4	9.9	(10.2)	NE	(3.62)	NE	143.0	18.0	(13.5)	NE	(4.80)	NE
Home Depot	N	16.25	1.50	10.2	16.50	14.13	20.38	10.50	18,743	7.48	2.37	215.6	45.1	.00	.0	.....	9 mos.	10-85	177.7	76.8	1.2	- 63.6	.04	- 69.2	497.0	57.6	5.6	- 46.7	.22	- 47.6
INTERCO Inc	N	75.88	- 1.13	- 1.5	79.75	75.75	79.75	61.13	3,010	2.12	1.19	78.2	14.7	3.08	4.1	.....	9 mos.	11-85	694.7	- .6	27.0	- 4.6	1.71	216.7	1927.7	- 5.7	61.4	- 15.0	3.89	21.9
K mart Cp	N	38.88	1.75	4.7	41.13	37.13	41.13	30.63	90,343	7.20	2.03	254.7	12.1	1.40	3.6	.....	9 mos.	10-85	5223.2	4.6	77.4	- 16.2	.60	- 15.5	15667.8	10.2	210.7	- 28.5	1.64	- 27.8
Lowe's Cos	N	38.75	3.13	8.8	39.13	34.25	39.13	20.75	25,329	6.83	2.12	222.2	23.6	.36	.9	NEW	fiscal	01-86	475.6	26.5	11.3	7.6	.31	6.9	2072.6	22.7	59.7	- 2.8	1.64	- 3.5
Mich General	A	4.88	.38	8.3	5.25	4.00	7.13	3.25	3,351	2.95	1.86	58.6	NE	.00	.0	NEW	fiscal	12-85	103.6	- 1.4	(11.4)	- 100.0	(1.01)	- 100.0	439.0	- 2.3	(34.6)	- 100.0	(3.06)	- 100.0
Natl Lumber	M	5.00	1.00	25.0	5.00	4.00	7.25	4.00	872	1.55	.56	176.8	25.0	.00	.0	.....	9 mos.	10-85	33.7	.9	.1	- 66.7	.02	- 60.0	101.6	6.8	.8	- 20.0	.14	- 22.2
Pay N Pak	N	15.13	1.13	8.0	15.63	13.50	15.63	11.50	4,367	4.37	1.54	183.8	18.7	.64	4.2	.....	9 mos.	11-85	86.1	5.6	1.8	- 33.3	.18	- 33.3	259.2	6.4	6.9	- 22.5	.69	- 22.5
Payless Cash	N	21.25	1.50	7.6	21.50	18.50	23.38	13.50	20,356	5.88	2.06	185.4	18.5	.16	.8	.....	fiscal	11-85	164.4	- 50.3	10.1	6.3	.35	20.7	1174.4	.0	37.1	- .3	1.15	.0
Scotty's Inc	N	17.00	2.00	13.3	17.13	14.38	17.13	12.38	3,635	2.52	.84	200.0	14.7	.52	3.1	.....	6 mos.	12-85	120.6	10.0	2.8	- 22.2	.19	- 26.9	230.9	9.3	5.6	- 20.0	.39	- 25.0
Sears, Roebuck	N	44.75	1.13	2.6	45.38	42.00	45.38	31.75	87,855	2.42	1.10	120.0	12.7	1.76	3.9	.....	fiscal	12-85	12068.2	5.2	552.3	- 1.9	1.50	- 2.6	40715.3	3.9	1303.3	- 10.4	3.53	- 12.0
Svc Merchandise	M	13.63	- .13	- .9	14.13	13.38	16.13	11.25	26,603	7.99	5.06	57.9	42.6	.08	.6	NEW	fiscal	12-85	1105.5	51.4	29.1	- 17.1	.87	- 23.7	2526.5	52.5	10.7	- 76.0	.32	- 78.1
Std Brd Pnt	N	24.50	2.13	9.5	24.63	21.25	24.63	18.75	2,380	2.10	1.10	90.9	14.8	.56	2.3	.....	9 mos.	10-85	90.0	10.4	4.0	- 24.5	.35	- 27.1	266.4	9.1	14.2	- 12.9	1.26	- 14.3
Supermkts Gen	N	57.25	.00	.0	57.25	53.50	57.25	33.50	2,396	1.34	.70	91.4	15.9	.48	.8	.....	9 mos.	10-85	1263.6	9.9	24.2	132.7	.68	17.2	3766.3	25.1	42.1	38.9	2.35	38.2
Wickes Cos	A	5.38	.88	19.4	5.63	4.50	5.63	3.25	192,648	19.96	4.56	337.7	NA	.00	.0	.....		10-85	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Wolohan Lumber	M	8.88	2.13	31.5	9.13	6.63	8.88	5.25	3,600	6.15	1.28	380.5	14.8	.16	1.8	NEW	fiscal	12-85	37.4	3.3	1.3	62.5	.22	57.1	150.7	8.3	3.5	34.6	.60	33.3
Zayre Corp	N	65.00	.25	.4	65.75	59.50	66.75	40.31	20,431	6.97	1.34	420.1	20.1	.48	.7	NEW	fiscal	01-86	1499.0	47.1	37.9	9.2	1.14	- 11.6	4036.0	29.2	94.6	17.8	3.23	8.0
Wholesalers																														
Lewis Palmer	M	8.25	.00	.0	8.63	8.00	9.38	6.38	1,360	3.48	1.62	114.8	63.5	.28b	3.4	.....	9 mos.	10-85	39.9	- 9.9	.6	.0	.16	6.7	110.4	- 2.9	.8	- 42.9	.22	- 43.6
Manufacturers																														
Allegheny Int	N	20.13	1.38	7.3	20.13	16.88	28.75	16.50	7,316	6.80	2.45	177.6	NE	.00	.0	.....	9 mos.	09-85	511.5	- .9	(71.4)	- 100.0	(7.35)	- 100.0	1519.2	- 1.0	(56.3)	- 100.0	(7.47)	- 100.0
Am Standard	N	45.00	2.38	5.6	45.00	41.75	45.00	26.75	13,968	3.56	1.81	96.7	14.5	1.60	3.6	.....	fiscal	12-85	413.8	- 52.0	36.2	17.5	.92	17.9	2912.0	- 9.4	122.0	6.2	3.10	1.0
Armstrng Wrld	N	59.63	9.63	19.3	60.00	48.50	60.00	30.38	14,998	6.26	1.52	311.8	14.2	1.30	2.2	.....	fiscal	12-85	426.0	11.4	22.6	20.2	.94	19.0	1679.2	7.0	100.9	9.4	4.20	10.8
Black & Decker	N	22.63	- 1.00	- 4.2	23.88	21.50	25.13	17.25	43,935	8.65	2.90	198.3	29.8	.64	2.8	.....	3 mos.	12-85	521.7	3.7	20.9	- 27.9	.41	- 28.1	521.7	3.7	20.9	- 27.9	.41	- 28.1
Boise Cascade	N	53.63	3.00	5.9	54.00	50.50	54.00	37.25	9,803	3.62	1.62	123.5	15.5	1.90	3.5	.....	fiscal	12-85	892.7	- 1.6	19.0	NE	.61	NE	3737.2	- 2.1	104.3	49.9	3.45	54.7
Certain-teed	N	29.38	1.63	5.9	29.63	27.00	29.63	21.25	6,706	3.54	.70	405.7	10.8	.90	3.1	.....	fiscal	12-85	261.7	- 4.4	10.4	- 25.2	.55	- 21.4	1109.7	- 6.7	53.4	22.8	2.73	25.8
Champ Intl	N	28.38	.88	3.2	28.75	26.63	28.75	20.00	38,714	4.17	1.97	111.7	17.8	.52	1.8	.....	fiscal	12-85	1194.7	- 29.3	36.1	NE	.37	NE	5769.8	12.7	163.1	NE	1.59	NE
Clopay Corp	A	17.63	1.25	7.6	19.75	15.38	22.19	11.25	342	2.21	.56	294.6	NE	.16	.9	.....	fiscal	12-85	35.5	- 2.5	(.2)	- 100.0	(.14)	- 100.0	139.2	3.9	(1.9)	- 100.0	(1.24)	- 100.0
DeSoto Inc	N	39.25	2.13	5.7	39.75	37.00	39.75	31.50	332	.70	.45	55.6	13.2	1.40	3.6	.....	fiscal	12-85	75.5	- 3.6	2.9	- 19.4	.60	- 15.5	405.6	- .4	14.2	- 27.6	2.97	- 16.6
Emhart Corp	N	37.38	.13	.3	39.00	36.63	39.00	26.25	4,517	1.63	.85	91.8	12.9	1.40	3.7	.....	fiscal	12-85	484.4	8.1	23.6	- 7.8	.87	26.1	1775.0	- 1.1	80.0	- 11.5	2.90	- 11.3
Georgia-Pacifc	N	32.88	3.00	10.0	33.00	29.13	33.00	20.50	49,729	4.83	1.82	165.4	18.0	.80	2.4	.....	fiscal	12-85	1590.0	- 10.0	33.0	NE	.27	NE	6716.0	.5	207.0	NE	1.83	88.7
Insilco Corp	N	21.00	.00	.0	22.88	19.63	22.88	16.63	6,596	3.36	1.22	175.4	15.3	1.00b	4.8	.....	fiscal	12-85	174.7	- 3.4	3.6	- 50.7	.17	- 57.5	811.8	3.2	26.1	- 20.9	1.37	- 24.7
La Pacific	N	26.88	1.13	4.4	27.13	25.25	27.13	17.13	12,158	3.33	1.09	205.5	38.4	.80b	3.0	.....	fiscal	12-85	312.6	10.2	6.8	- 67.6	.19	- 69.4	1260.9	2.5	25.5	- 39.6	.70	- 41.2
MacMiln Bldel	N	20.50	1.25	6.5	20.63	19.13	20.63	12.47	707	.23	.07	228.6	38.0	.00a	.0	.....	fiscal	12-85	601.7	4.0	20.4	- 15.0	.44	- 21.4	2335.4	9.8	42.9	122.3	.54	NE
Manville Cp	N	7.00	.13	1.8	7.00	6.00	8.13	5.13	15,587	6.49	2.65	144.9	NE	.00	.0	.....	fiscal	12-85	536.4	17.5	20.9	14.8	.61	22.0	1941.8	7.0	(45.1)	- 100.0	(2.92)	- 100.0
Masco Corp	N	54.38	5.13	10.4	54.88	49.25	54.88	28.50	17,161	2.67	1.03	159.2	21.2	.64	1.2	.....	fiscal	12-85	704.9	228.3	141.3	551.2	1.42	330.3	1154.0	13.2	164.5	41.9	2.56	28.0
Mor-Flo Inds	M	17.00	- .88	- 4.9	18.13	16.75	19.88	14.50	430	1.70	.81	109.9	8.0	.01	.1	.....	9 mos.	09-85	47.0	.9	.3	- 81.3	.11	- 82.5	153.0	3.9	3.7	- 22.9	1.45	- 24.5
Natl Gypsum	N	48.63	2.00	4.3	48.63	46.00	48.63	25.09	13,938	6.10	2.56	138.3	9.7	1.52	3.1	NEW	fiscal	12-85	62.6	- 85.4	19.5	- 22.6	.86	- 20.4	1340.0	- 22.0	116.1	8.7	5.02	9.6
Newell Co	N	28.88	- .25	- .9	29.75	28.50	29.75	15.13	4,779	5.54	1.18	369.5	13.8	.70	2.4	.....	fiscal	12-85	96.6	7.6	5.5	31.0	.61	32.6	350.0	13.5	18.9	33.1	2.09	29.0
Owens Corning	N	49.00	6.75	16.0	49.50	41.50	49.50	30.75	22,280	7.48	1.81	313.3	11.1	1.40	2.9	.....	fiscal	12-85	966.6	27.9	44.1	31.3	1.48	29.8	3305.0	9.4	131.2	15.2	4.42	14.2
Ply-Gem	A	21.75	2.75	14.5	22.25	18.63	22.25	13.25	3,430	7.98	2.30	247.0	19.6	.16	.7	.....	9 mos.	09-85	39.5	- 2.7	1.1	37.5	.25	31.6	123.0	- .2	3.1	- 3.1	.77	- 12.5
Pope & Talbot	N	22.00	1.88	9.3	22.00	19.00	22.00	16.75	1,447	2.41	.98	145.9	19.8	.80	3.6	.....	fiscal	12-85	74.9	- 5.1	.6	NE	.10	NE	325.2	1.6	6.7	NE	1.11	NE
Potlatch Cp	N	41.00	1.75	4.5	41.00	38.38	43.63	31.38	3,206	2.47	.77	220.8	18.7	1.56	3.8	.....	fiscal	12-85	227.4	- 3.7	4.4	- 56.0	.26	- 55.2	950.3	- 4.4	37.7	- 24.0	2.19	- 21.8
Sherwin-Wms	N	56.13	.00	.0	56.75	52.63	56.75	31.25	4,674	2.03	.86	136.0	17.4	1.00	1.8	.....	fiscal	12-85	517.4	3.2	11.3	24.2	.48	17.1	2194.9	5.8	74.6	14.8	3.23	13.7
SW Forest Ind	N	13.63	.25	1.9	14.25	13.00	15.50	9.88	3,541	3.81	2.96	28.7	NE	.00	.0	.....	fiscal	12-85	169.2	- 10.9	(5.0)	- 100.0	(.42)	NE	700.1	- 9.9	(12.3)	- 100.0	(1.67)	- 100.0
Stanley Works	N	40.75	2.13	5.5	40.88	38.00	40.88	26.50	5,372	1.87	1.09	71.6	14.3	1.04	2.6	.....	fiscal	12-85	322.4	5.4	25.7	14.7	.93	14.8	1208.3	4.3	78.3	8.1	2.85	9.6
Thos Inds	N	22.25	.25	1.1	22.50	21.13	22.50	14.41	905	1.01	.48	110.4	12.2	.68b	3.1	.....	fiscal	12-85	77.6	.6	4.2	7.7	.48	9.1	309.5	6.1	16.2	1.9	1.82	2.2
Triangle Pac	N	53.00	6.75	14.6	53.13	45.25	53.13	26.00	6,566	17.38	2.20	690.0	13.9	1.00	1.9	.....	fiscal	12-85	65.7	4.1	3.6	24.1	.92	29.6	263.9	- 2.5	15.2	11.8	3.82	15.8
USG Corp	N	67.00	9.00	15.5	67.75	57.75	67.75	30.75	12,479	3.74	1.47	154.4	10.0	1.92	2.9	.....	fiscal	12-85	635.2	4.0	53.9	30.5	1.63	31.5	2526.5	9.0	223.8	19.9	6.71	19.0
Walter, Jim	N	50.75	- .38	- .7	52.00	49.50	52.00	31.00	12,160	5.75	2.22	159.0	9.5	1.40	2.8	.....	3 mos.	11-85	562.1	.7	31.7	17.0	1.45	16.9	562.1	.7	31.7	17.0	1.45	16.9
Waxman Ind	M	14.50	1.88	14.9	14.63	12.88	16.88	9.00	855	2.73	1.85	47.6	26.9	.08	.6	.....	6 mos.	12-85	23.3	14.2	.5	.0	.17	- 43.3	44.8	9.5	1.1	- 8.3	.35	- 50.0
Weyerhaeuser	N	36.13	.38	1.0	37.13	34.50	37.13	24.75	30,858	2.38	1.14	108.8	27.4	1.30	3.6	.....	fiscal	12-85	1238.0	- 12.1	63.6	132.1	.43	168.8	5205.6	- 6.2	200.1	- 11.5	1.32	- 13.2

All data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column
P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market